

SENATE BILL 2991

By Herron

AN ACT to amend Tennessee Code Annotated, Title 47
and Title 55, relative to motor vehicles.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 47-18-104(b), is amended by adding
following language as a new, appropriately designated subdivision:

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(1) Failing, in a motor vehicle transaction which is conditioned upon final
funding to a motor vehicle dealer by a third party financial institution, to retain
possession of any vehicle used by the consumer as consideration, commonly
known as a "trade-in" vehicle, until the dealer has received funding from the
financial institution or failing to pay off the agreed upon indebtedness on the
trade-in vehicle within thirty (30) days after the dealer has received funding from
the financial institution on the financing contract for the new purchase.

(2) This subdivision shall apply to any motor vehicle dealer.

(3) As used in this subdivision, "funding" shall mean actual payment to
the dealer by the financial institution purchasing the financing contract or lease
and "motor vehicle" and "motor vehicle dealer" shall have the same meanings as
provided in Section 55-17-102.

SECTION 2. This act shall take effect upon becoming a law, the public welfare requiring
it.